

**IDAPA 11- IDAHO STATE POLICE  
IDAHO STATE RACING COMMISSION**

**11.04.02 - RULES GOVERNING SIMULCASTING**

**DOCKET NO. 11-0402-0803**

**NOTICE OF RULEMAKING - TEMPORARY AND PROPOSED RULE**

**EFFECTIVE DATE:** The effective date of the temporary rule is November 17, 2008.

**AUTHORITY:** In compliance with Sections 67-5221(1) and 67-5226, Idaho Code, notice is hereby given that this agency has adopted a temporary rule, and proposed regular rulemaking procedures have been initiated. The action is authorized pursuant to Sections 54-2506 and 54-2508, Idaho Code.

**PUBLIC HEARING SCHEDULE:** A public hearing concerning this rulemaking will be held as follows:

**THURSDAY - OCTOBER 9, 2008 - 7:00 pm to 9:00 pm**

**NAMPA CIVIC CENTER  
Casler Room  
311 3rd Street South, Nampa, ID**

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is the required finding and concise statement of its supporting reasons for adopting a temporary rule and a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Virtual Racing promotes the purpose of enhancing and protecting the live horse race industry in Idaho. It does this by increasing the proceeds paid to the horsemen's groups, which contributes to increasing the horsemen's purses in Idaho. In addition, simulcasting allows Virtual Racing to obtain wagering dollars from out-of-state and interstate wagering sources to help enhance the Idaho horsemen's purses. The greater the horsemen's purses, the more stable and sound the live horse racing industry will be in Idaho. Such innovations are needed in Idaho to make racing profitable enough to sustain its live racing industry.

Specifically, the following proposed rules changes are requested and amend the current definitions in IDAPA 11.04.02.010.

(NEW) 14. Horse Race. A contest authorized by the Racing Commission that is among horses, including virtual horses, using the pari-mutuel wagering system at any licensed race track.

(AMENDED) 15. Host or Host Association. The racing association conducting a horse race when it is authorized by the Racing Commission to simulcast its horse racing program. It may also be considered the sending track which means any track from which simulcast signals originate.

(NEW) 28. Virtual Horse. A computer-based, three dimensional graphical race horse, produced in a manner to replicate the characteristics of a living race horse.

**TEMPORARY RULE JUSTIFICATION:** Pursuant to Section 67-5226(1) c, Idaho Code, the Governor has found that temporary adoption of the rule is appropriate for the following reasons: Confers a benefit.

**FEE SUMMARY:** Pursuant to Section 67-5226(2), the Governor has found that the fee or charge being imposed or increased is justified and necessary to avoid immediate danger and the fee is described herein: There is no fee.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state

general fund greater than ten thousand dollars (\$10,000) during the fiscal year:

There is no impact to the General Fund.

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220, Idaho Code, negotiated rulemaking was not conducted. However, this rule was developed with input from a committee comprised of representatives of all segments of the horse racing industry.

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the temporary and proposed rule, contact Dennis Jackson, Executive Director of the Idaho State Racing Commission, 208-884-7080.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2008.

DATED this 20th day of August, 2008

Dennis Jackson  
Executive Director  
Idaho State Racing Commission  
700 S. Stratford Drive  
PO Box 700, Meridian, ID 83680-0700  
208-884-7080 (phone) /208-884-7098 (fax)

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**THE FOLLOWING IS THE TEXT OF DOCKET NO. 11-0402-0803**

**010. DEFINITIONS.**

**01. Association That Accepts the Wager.** The guest association to which the bettor contributes his money to the pari-mutuel pool and receives a pari-mutuel ticket. (11-12-08)T

**02. Authorized User.** A person authorized by the Racing Commission to receive, decode, and use, for legal purposes, the encrypted simulcast signal of pari-mutuel events. (11-12-08)T

**03. Breakage.** The odd cents rounded down to the lowest multiple of ten cents (\$.10) in a positive pool and down to the lowest multiple of five cents (\$.05) in a minus pool. (11-12-08)T

**04. Combined Pools.** The pari-mutuel wagers at one (1) or more guest associations being contributed into the pari-mutuel pools of a host association. (11-12-08)T

**05. Decoder.** A device or means to convert encrypted audio-visual signals or data into a form recognizable as the original content of the signals. (11-12-08)T

**06. Downlink.** A receiving antenna coupled with an audio-visual signal receiver that is compatible with and capable of receiving simultaneous audio-visual signals or data emanating from a host association. This includes the electronic transfer of received signals from the receiving antenna to TV monitors within the satellite facility. (11-12-08)T

- 07. Enclosure, Enclosure-Public.** Includes all enclosed areas of the simulcast wagering facility. (11-12-08)T
- 08. Encryption.** The scrambling or other manipulation of the audio-visual signals to mask the original content of the signal and so cause such signals to be indecipherable and unrecognizable to any person receiving such signal. (11-12-08)T
- 09. Foreign Jurisdiction.** A jurisdiction of a foreign country or political subdivision thereof. (11-12-08)T
- 10. Guest, Guest Association or Simulcast Operator.** A simulcast licensee authorized by the Racing Commission to offer, sell, cash, redeem or exchange pari-mutuel tickets on races being run at a host association. (11-12-08)T
- 11. Handle or Gross Handle.** Total amount of money wagered on a race less refunds and cancels. (11-12-08)T
- 12. Horse.** Includes filly, mare, colt, horse or gelding in general; when referring to sex, filly becomes a mare when five (5) years old; a horse is an intact male when five (5) years old or older. (11-12-08)T
- 13. Horse Race.** A contest authorized by the Racing Commission that is between horses, including virtual horses, using the pari-mutuel wagering system at any licensed race track. (11-17-08)T
- 134. Host or Host Association.** The racing association conducting a ~~licensed~~ horse ~~racing meeting~~ race when it is authorized by the ~~Racing~~ Commission to simulcast its ~~horse~~ racing program. It may also be considered the sending track which means any track from which simulcast signals originate. ~~(11-12-08)T~~(11-17-08)T
- 145. Hub.** A facility that acts as an intermediary between pari-mutuel wagering facilities for the transmission of wagering data and that is responsible for generating all reports necessary for the reconciliation of payments. (11-12-08)T
- 156. Interstate Simulcast Wagering.** (11-12-08)T
- a.** Wagering conducted by a betting system outside the state of Idaho on the results of one (1) or more races being run at an Idaho host association; or (11-12-08)T
- b.** Wagering conducted by a betting system within the state of Idaho on the results of one (1) or more races being run at a host association outside the state of Idaho. (11-12-08)T
- 167. Intrastate Simulcasting Wagering.** Pari-mutuel wagering at an Idaho guest association on Idaho horse racing events run at an Idaho host association. (11-12-08)T
- 178. Racing Association.** Any person licensed by the Racing Commission to conduct a race meet and pari-mutuel wagering. (11-12-08)T
- 189. Racing Commission.** Three member Idaho State Racing Commission created by Section 54-2503, Idaho Code, or its designee. (11-12-08)T
- 1920. Simulcast.** The telecast or other transmission of live audio and visual signals of a race, transmitted from a sending track to a receiving location, for the purpose of wagering conducted on the race at the receiving location. (11-12-08)T
- 201. Simulcast Facility.** The physical premises, structure and equipment utilized by a guest or host association for conducting pari-mutuel wagering on horse racing events and permitted pari-mutuel events. Such facility must be a part of the license granted to the guest or host association. (11-12-08)T
- 242. Simulcast Service Supplier.** (11-12-08)T

**a.** A person engaged in providing service, supplies or equipment necessary to the operation of intrastate, interstate or out-of-state simulcast wagering for use by a host association, guest association, simulcast operator, or authorized user, including pari-mutuel wagering terminals, uplink, downlink, television receivers and related equipment. (11-12-08)T

**b.** It does not include persons authorized by the Federal Communications Commission to provide telephone service or space segment time on satellite transponders. (11-12-08)T

**~~223.~~ Satellite Transponder, Transponder.** Leased space segment time of an earth-orbit communication satellite. (11-12-08)T

**~~234.~~ Take or Takeout.** Money deducted from mutuel pools that is shared by the track and local and state governing bodies in the form of a tax. (11-12-08)T

**~~245.~~ Totalisator.** A computer that, directly or indirectly through one (1) or more other totalisators, receives pari-mutuel wagering information, calculates pay-offs for winning tickets and generates reports with respect to such information, and may refer to the linked computers of the hub and the track. (11-12-08)T

**~~256.~~ Uplink.** An earth station broadcasting facility, whether mobile or fixed, which is used to transmit audio-visual signals or data on Federal Communication Commission-controlled frequencies, and includes any electronic transfer of the audio-visual signals from within the racing enclosure to the location of the transmitter at the uplink. (11-12-08)T

**~~27.~~ Virtual Horse.** A computer-based, three-dimensional graphical race horse, produced in a manner to replicate the characteristics of a living race horse. (11-17-08)T